

**Information notice of the State Property
Fund of Ukraine on holding a bid
with open offering prices on the basis of
auction on sales of equity interest of
the public joint stock company "Centrenergo"**

1. Company details:

Code YeDRPOU: 22927045

Full name of the Company: Public Joint Stock Company "Centrenergo".

Location of the Company: 120/4 Kozatska St., Building "E", the city of Kyiv, 03022.

Phone: (044) 364-02-00

Telephone/Fax: (044) 364-02-66

Equity stake to be secured (fixed) in the state property, % - 0.

2. The State Property Fund of Ukraine offers for sale the equity stake in the amount of 289,205,117 shares, which is 78.289% of the authorized capital of the public joint stock company "Centrenergo"

The authorized capital of the Company is UAH 480,229,240.4.

Nominal share price - UAH 1.3.

3. The initial price of the shares of the Company is UAH 5,984,992,000.

The bidding step – UAH 60,000,000.

4. Characteristics of the Company:

The main type of business activity according to Classifier of economic activities: 35.11 - Electricity production.

The average number of full-time employees for the 8 months of 2018 is 6,764 persons.

Information about the facilities and the area of the land plot used by the Company: the public joint stock company "Centrenergo" uses the total number of buildings – 799 units, among them:

- production purpose - 285 units with an area of 494,511.9 sq.m.;
- administrative and auxiliary - 243 units with an area of 90,546.16 sq.m., including state-owned buildings - 11 units with an area of 1,146.06 sq.m.;
- social and household purposes - 167 units with an area of 93,185.3 sq.m., including the state-owned buildings - 8 units with an area of 16,684.5 sq.m.;
- civil defense structures - 9 units with an area of 4,568.4 sq.m., including the state-owned buildings - 2 units with an area of 1,206.1 sq.m.;
- agricultural purpose - 50 units with the area of 27,527.08 sq.m.;
- others - 45 units with an area of 11,910.9 sq.m., the state-owned buildings - 4 units with an area of 402.9 sq.m.

Total size of the company's land plots is 4,918.8467 hectares.

Volumes of emissions of pollutants into the environment, production and placement of wastes, the state of the land plot, of environmental equipment and facilities, information on payment of environmental charges and fees:

The total amount of pollutant emissions into the atmospheric air from the thermal power plant (TPP) of «Centrenergo» Public Joint Stock Company in the first half of 2018 amounted to 118,000 tons, which according to the volume of electricity production is within the limits of the existing permits for emissions into the air.

Also, the production of electric energy at the TPP is resulted in the production of wastes in the form of ash and slag, which are classified as 4 class of hazard (low hazard wastes). In the first half of 2018, 487,000 tons of ash-slag wastes were generated.

In addition, the operation of heat and power facilities involves the use of significant volumes of water resources. In the first half of 2018, sewage into the water facilities of the TPP of the Company amounted to 1,600 tons, which does not exceed the limit and does not violate the requirements of existing permits for special water use.

The condition of the land plots is suitable for use on the intended purpose.

The technical condition of environmental equipment and facilities ensures compliance with the requirements of the current environmental legislation.

In the first half of 2018, UAH 232,973,000.00 of environmental fees and charges were paid.

The main indicators of the economic activity of PJSC "Centrenergo" for the last three years and the last reporting period:

Indicator	for 2015	for 2016	for 2017	for the first half of 2018
Sales volume, thousand UAH	6,863,846	10,696,105	10,918,596	7,973,972
Balance profit, thousand UAH	61,181	442,765	2,346,579	539,641
Receivables, thousand UAH	1,116,695	877,244	903,731	832,852
Payables, thousand UAH	3,598,224	2,727,499	2,033,006	1,826,101
Profitability, percent	0.3	3.6	17.3	5.5
Asset value, thousand UAH	6,582,233	8,582,168	10,073,652	8,887,486
Cost of equity, thousand UAH	2,246,630	5 235 275	6 885 847	5,90,369
Value of net profit, thousand UAH	21,856	386,867	1,891,063	439,264

The amount of overdue debts of the company:

- before the budget for taxes, there are no fees;
- there is no overdue wage and social wage arrears.

5. Fixed conditions of the bid: the buyer of the equity stake undertakes to provide:

1) in the business activity of the company:

compliance with licensing conditions of the activity:

- in the field of electric power industry;
- on the production of thermal energy, the transportation of heat energy by key and local (distributional) heat networks and the supply of thermal energy, except for the production, transportation and supply of heat energy at unregulated tariffs;
- on centralized water supply and drainage, in addition to centralized water supply and drainage at unregulated tariffs;

preventing the formation of the company's overdue debts for payments to budgets of all levels and social benefits from the date of the accounting transaction (write-off, transfer) on the equity stake from the account of the State Property Fund at the depositary institution;

full timely payment to the budget of taxes and duties, customs and other fees, a unified contribution to the compulsory state social insurance, as well as prevention of the occurrence of tax debt;

availability of guaranteed reserves of coal in the warehouses of thermal power plants and reserve fuel (fuel oil) to ensure the operational security of supply in the united energy system of Ukraine;

using as much as possible coal produced in mines located on the territory of Ukraine, on which the state authorities exercise their powers in full, provided the full identity of the cost and quality characteristics of the market offer for coal of foreign production;

execution in accordance with the legislation of the regulatory and legal acts in the field of technical regulation and maintenance of the capacity of equipment of all power plants of the company (Vuhlegirska TPP, Zmiyivska TPP, Trypilska TPP) by performing the scheduled repairs (full, medium, current repair);

compliance with the requirements of the Law of Ukraine "On the Protection of Economic Competition";

fulfillment of the mobilization tasks fixed for the company;

compliance with the requirements of legislation on the protection of state secrets;

2) on the innovation and investment activity of the company:

implementation of measures in order the company can operate in the ENTSO-E, Continental Europe Synchronous Area, in accordance with the schedule of measures for the synchronization of the Ukrainian energy system with the ENTSO-E;

preservation of the fixed yield of each company's thermal power plant at the level not less than the level existed at the date of the accounting transaction (write-off, transfer) in respect of the equity stake from the account of the State Property Fund in the depositary institution, except for cases when the reduction of the fixed yield is carried out in accordance with the legislation procedure to execute the relevant decision of the authorized executive body or with the consent of the authorized executive body, except for cases of scheduled or post scheduled maintenance and/or emergencies;

fulfillment of obligations on the development of the company in order to boost the economic, social, financial, technological and environmental efficiency of the company in accordance with the business plan submitted by the buyer;

compliance with the requirements of the legislation on the arranging the protection of especially important sites of power sector, as well as legislation on the issues of man-made and fire safety, in particular the implementation of measures in the field of fire, technogenic safety and civil protection for 2017-2025, in accordance with the developed design estimates and the requirements of the State Emergency Service of Ukraine (SES);

3) on the social activity of the company:

full compliance with the terms of the collective agreement within its term of validity, and upon its completion, signing of a new or amendment of the said agreement in accordance with the procedure fixed by law, with due consideration to the provisions of the Industry Agreement between the Ministry of Energy and the Coal Industry, the State Property Fund of Ukraine, the All-Ukrainian Association of Organizations of Employers "Federation of Employers of the Fuel and Energy Segment of Ukraine" and the Union of Energy and Electrical Engineering Workers of Ukraine for 2016 - 2018 and its implementation in full;

preventing the company's overdue in wages to their employees;

preventing the firing of the company's employees at the initiative of the buyer or the body authorized by them (with the exception of dismissal on the basis of paragraph 6 of Part 1 of Article 40 of the Labor Code of Ukraine or the commission of steps which stipulate the dismissal in accordance with paragraphs 3, 4, 7 and 8 of Part 1 of Article 40 and Article 41 of

the Labor Code of Ukraine) within six months from the date of the accounting transaction (write-off, transfer) regarding the equity stake from the account of the State Property Fund at the depositary institution;

implementation of the standard for places of employment of persons with disabilities in accordance with the requirements of the Law of Ukraine "On the basics of social protection of persons with disabilities in Ukraine", developing of working conditions for them, with due consideration to the individual programs of rehabilitation and provision of other socio-economic guarantees fixed by law;

4) on nature protection segment of the company:

compliance with requirements of environmental legislation and implementation of measures on environmental protection;

within a year from the date of the accounting transaction (write-off, transfer) for the share transfer from the account of the State Property Fund to the depositary institution, development of the schedule for the Environmental Protection and its implementation, with due consideration to the findings of the environmental audit, which are specified in the report on the obligatory environmental audit of the public joint stock company "Centrengo", made by the Research and Manufacturing Association "Ekozakhyst", of May 16, 2018, at the request of the State Property Fund;

5) in the field of corporate relations and disposition of the company property:

proper use, maintenance and storage of state property, in particular the sites of civil defense units, which in course of forming the company was not included into their authorized capital, but remained on the company balance;

compliance with the requirements of the legislation on the safety of the company's power plants (Vuhlegirska TPP, Zmiyivska TPP, Trypilska TPP) by the departmental paramilitary security on the contractual terms;

payment of dividends to the state budget in the amount of 30 percent of profit by results of financial and economic activity in 2018.

The term of fulfillment of the buyer's obligations regarding the conditions that do not have a specified period of their execution, except for the mobilization tasks, is five years from the date of the accounting transaction (write-off, transfer) for the equity stake from the account of the State Property Fund at the depositary institution.

6. Information on the presence or absence of an advisor: bid is held with the involvement of the advisor.

7. The bid shall be held with due consideration to the requirements of the Paragraph 2 of Clause 4 of Section V "Final and Transitional Provisions" of the Law of Ukraine "On Privatization of State and Communal Property", the Law of Ukraine "On Sanctions" and the Decree of the Cabinet of Ministers of Ukraine of May 10, 2018 No. 358-p "On approval of the list of sites of large-scale privatization of state property subject to privatization in 2018", Order of the Cabinet of Ministers of Ukraine dated October 3, 2018, No. 756-p "On Approval of Conditions for the Sale of the State Share Package of a Public Joint-Stock Company "Centrengo" in competition with the Open Price Offer on the Auction Principle", in accordance with the Regulations on the procedure for holding tenders for the sale of shares of the joint stock companies approved by the Order of the State Property Fund of Ukraine of May 10, 2012, No. 639, the Resolution of the Antimonopoly Committee of Ukraine of May 10, 2012, No. 282-p, by the Decision of the National Commission on Securities and Stock Market of May 10, 2012 No. 674, registered by the Ministry of Justice of Ukraine on June 12, 2012 with Reg. No. 940/21252, as amended (hereinafter referred to as the Regulations).

Persons who may be buyers of the privatization site in accordance with Article 8 of the Law of Ukraine "On Privatization of State and Communal Property" are entitled to participate in the bid for the sale of the equity stake of the public joint stock company "Centrenergo".

Legal entities and individuals specified in Part 2 of Article 8 of the Law of Ukraine "On Privatization of State and Communal Property" are not allowed to participate in the bid, in particular:

- public authorities;
- state-owned companies owned by the state of Ukraine;
- state-owned economic associations, state-owned holding companies, state-owned joint-stock companies, their subsidiaries;
- employees of the state bodies of privatization;
- buyers registered in offshore territories (according to the list fixed by the Cabinet of Ministers of Ukraine) acting as the opaque entity (whose beneficiary owners are not disclosed by 100 per cent), as well as buyers originating from the aggressor state (in accordance with clauses 6, 7 and 8 of Part 2 of Article 8);
- state recognized by the Verkhovna Rada of Ukraine as an aggressor state, as well as legal entities in which such a state is involved, and persons who are under the supervision of such legal entities;
- legal entities, beneficiary owners of 10% percent or more of the shares (stakes) who are the residents of the state recognized by the Verkhovna Rada of Ukraine as the aggressor state. The above provision does not apply to legal entities whose shares are admitted to trading on foreign stock exchanges according to the list of the Cabinet of Ministers of Ukraine, except for legal entities that are residents of the aggressor state;
- individuals - citizens and/or residents of the state recognized by the Verkhovna Rada of Ukraine as an aggressor state;
- legal entities registered in accordance with the legislation of the states included by FATF to the list of non-cooperating states in the field of counteraction to money laundering, as well as legal entities 50 percent or more of the authorized capital of which is owned directly or indirectly by such persons;
- legal entities, the information on whose beneficiary owners has not been disclosed in violation of the requirements of the Law of Ukraine "On State Registration of Legal Entities, Individuals - Entrepreneurs and Public Associations";
- individuals and legal persons which are restricted by the special economic and other restrictive measures (sanctions) in accordance with the Law of Ukraine "On Sanctions", as well as related persons;
- persons who were a party to the sale of the privatization site in Ukraine and with whom the contract of sale of the privatization site was terminated due to the violation on the part of such persons, as well as related persons,
- advisers, involved in preparing the site for privatization.

8. To participate in the bid, the potential buyer, the bid participant should:

- pay: bid guarantee amounting to UAH 299,249,600.00 and registration fee amounting to UAH 340.00.

Details for payment of bid guarantee and registration fee in the national currency:

Bid guarantee amounts to UAH 299,249,600.00	Receiver of funds – State Property Fund of Ukraine Account: No. 37316021000058 Bank of receiver – State Treasury Service of Ukraine, Kyiv MFO: 820172; Code YeDRPOU: 00032945. Purpose of payment: as bid guarantee for participation in bid aimed at sale of equity interest of "Centrenergo" PJSC.
Registration fee amounts to UAH 340	Receiver of funds – State Property Fund of Ukraine Account: No. 37183500900028 Bank of receiver – State Treasury Service of Ukraine, Kyiv MFO: 820172; Code YeDRPOU: 00032945. Purpose of payment: as registration fee for participation in bid aimed at sale of equity interest of "Centrenergo" PJSC.

Details for payment of bid guarantee and registration fee in foreign currency:

Bid guarantee amounts to UAH 299,249,600.00 (at the rate of the National Bank of Ukraine on the day of payment of bid guarantee)	Одержувач: Фонд державного майна України Адреса: вул. Генерала Алмазова, 18/9, м. Київ, 01133, Україна Рахунок: 25206010023277 Банк одержувача: ПАТ «Державний експортно-імпортний банк України» Адреса: вулиця Антоновича, 127, м. Київ, Україна МФО: 322313 Код ЄДРПОУ: 00032945 Призначення платежу: як конкурсна гарантія для участі у конкурсі з продажу пакета акцій ПАТ «Центренерго».	Receiver: The State Property Fund of Ukraine Address: 18/9 General Almazov Street, Kyiv, 01133, Ukraine Account: 25206010023277 Bank of receiver: Joint-Stock company "State Export Import Bank of Ukraine" Address: 127 Antonovycha Street, Kyiv, Ukraine MFO: 322313 Code YeDRPOU: 00032945 Purpose of payment: tender guarantee for participation in the auction sale of the stake of "Centrenergo" PJSC.
Registration fee amounts to UAH 340 (at the rate of the National Bank of Ukraine on the day of payment of registration fee)	Одержувач: Фонд державного майна України Адреса: вул. Генерала Алмазова, 18/9, м. Київ, 01133 Україна Рахунок: 25206010023277 Банк одержувача: ПАТ «Державний експортно-імпортний банк України» Адреса: вулиця Антоновича, 127, м. Київ, Україна МФО: 322313 Код ЄДРПОУ: 00032945 Призначення платежу: реєстраційний внесок для участі у конкурсі з продажу пакета акцій ПАТ «Центренерго».	Receiver: The State Property Fund of Ukraine Address: 18/9 General Almazov Street, Kyiv, 01133 Ukraine Account: 25206010023277 Bank of receiver: Joint-Stock company "State Export Import Bank of Ukraine" Address: 127 Antonovycha Street, Kyiv, Ukraine MFO: 322313 Code YeDRPOU: 00032945 Purpose of payment: registry fee for participation in the auction sale of the stake of "Centrenergo" PJSC.

Potential buyer, the participant of the bid has the right, instead of paying the money deposit as a bid guarantee to participate in the bid to provide a bank guarantee for the amount of the bid guarantee – UAH 299,249,600.00 fixed in accordance with the terms of the bid.

Potential buyer, bid participant submits the bid documentation, final draft contract of sale of the equity stake and the competitive bid.

The bid documentation (drafted according to the list of documents in accordance with the requirements of Section V of the Regulation) is drafted and sealed in a non-transparent envelop with the words "Bid documentation", with only the addresses of the state privatization body and the bid name. The envelop should not contain information that could identify a potential buyer.

The final draft of the contract of sale is sealed in a non-transparent envelop with the words "The final draft of the contract of sale", which specifies the name and location of the state privatization body, the bid name and the potential buyer.

The bid offer (drafted in accordance with Annex 2 of the Regulation) is submitted in a non-transparent envelop with the words "The bid offer", which specifies only the name, the address of the state privatization body and the bid name. The envelop should not contain information that could identify the bid participant.

9. Date and time of completing the acceptance of the bid documentation and the final draft of the contract of sale: acceptance of the bid documentation and the final draft of the contract of sale begins with the day of publication of the information notice on the bid holding.

After publication of the information notice on the bid holding, potential buyers **before 28.11.2018 till 18-00** apply in writing to the State Property Fund of Ukraine and sign a non-disclosure agreement with them and receive a package of documentation about the bid, which contains the documents in accordance with Clause 6.8 of the Regulation.

Upon receipt of the package of bid documentation, a potential buyer shall process and submit to the State Property Fund of Ukraine one copy of the offers to the contract of sale of the equity stake with accurate changes and amendments (if any).

Acceptance of the offers from potential buyers to the draft contract of sale of the equity stake ends on **28.11.2018 at 18.00**.

The State Property Fund submits to the potential buyers the finalized and approved draft contract of sale in two copies no later than **03.12.2018**.

The potential buyer no later than **05.12.2018** submits one copy of the final draft of the contract of sale, together with a written consent for its terms and conditions.

The acceptance of the bid documentation and the final draft of the contract of sale ends in **05.12.2018 at 18.00**.

10. Address of acceptance of the bid documentation and the final draft of the contract of sale: 18/9 Henerala Almazova St., the city of Kyiv, State Property Fund of Ukraine, office No. 511, daily - from 9 a.m. to 6 p.m., on Fridays - from 9 a.m. to p.m., on pre-holiday days - from 9 a.m. to 5 p.m.

11. Date, time and place of start and completion of the acceptance of bids: registration of the bid participants and submitted bids shall be held in **13.12. 2018 from 10.00 to 10.50** at the premises of the State Property Fund of Ukraine at address: office No. 303, 18/9 Henerala Almazova St., the city of Kyiv, Ukraine.

12. Date, time and place of the bid: bid for the sale of the equity stake of the public joint stock company "Centrenergo" will be held in **13.12. 2018 at 11:00** in the premises of the State Property Fund of Ukraine at the following address: office No. 303, 18/9 Henerala Almazova St., the city of Kyiv, Ukraine.

13. Time and place of studying the Company: you can study the Company at the following address: 120/4 Kozatska St., Building "E", Kyiv, Ukraine.

To visit the Company, you must obtain the written permission from the State Property Fund of Ukraine.

14. Location, telephone number and working hours of the bid organization: a package of documentation for the bid and permission to visit the Company can be obtained at: office No. 813, 18/9 Henerala Almazova St., the city of Kiev, Ukraine, daily - from 9 a.m. to 6 p.m., on Fridays - from 9 a.m. to p.m., on pre-holiday days - from 9 a.m. to 5 p.m.

Phones: (044) 200-33-61, (044) 200-35-02.

E-mail: lion@spfu.gov.ua, chik@spfu.gov.ua.

15. Other information under the decision of the state privatization body.

The buyer of shares in the non-documentary form submits to the state privatization body, within the final draft contract of sale, the information on the account opened in the name of the buyer in securities at the depository institution and information on the depository institution, in volumes required for drafting an order on the making of the accounting transaction of transfer of shares purchased by the buyer.

According to the Order of the Cabinet of Ministers of Ukraine dated October 3, 2018, No. 756-p "On Approval of Conditions for the Sale of the State Share Package of a Public Joint-Stock Company "Centrenergo" in competition with the Open Price Offer on the Auction Principle" in the case where applications for less than two participants are submitted for participation in the tender, the sale of the block of shares of the public joint stock company "Centrenergo" will be terminated.